

TEMPORARY

NO. 64231-T

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office JUN 15 1998

Returned to applicant for correction

Corrected application filed

Map filed AUG 19 1996 under 62380-T

The applicant **FLORIDA CANYON MINING, INC. A SUBSIDIARY OF PEGASUS GOLD CORPORATION**, hereby makes application for permission to change the **POINT OF DIVERSION AND PLACE OF USE AND MANNER OF USE OF A PORTION** of water heretofore appropriated under **PERMIT #: 57097**

1. The source of water is **UNDER GROUND**
2. The amount of water to be changed **0.51 CFS, 25 MGA**
3. The water to be used for **MINING, MILLING, DOMESTIC, & DE-WATER**
4. The water heretofore permitted for **MINING, MILLING & DOMESTIC**
5. The water is to be diverted at the following point **(SUMP) SW¼, SW¼, SECTION 2, T.31N, R.33E., M.D.B.&M., OR AT A POINT FROM WHICH THE SW CORNER OF SAID SECTION 2 BEARS S.74°17'43"W, A DISTANCE 967.4 FEET.**
6. The existing permitted point of diversion is located within **SE¼ NW¼ (LOT 1) SECTION 3, T.31N., R.33E., M.D.B.&M., OR AT A POINT FROM WHICH THE SW CORNER OF SAID SECTION 3 BEARS S 31°W., A DISTANCE OF 3,810 FEET**
7. Proposed place of use **SECTIONS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 37, 38, 39 T.31N., R.33E., M.D.B.&M., AND SECTIONS 33, 34, & 35, T.32N., R.33E., M.D.B.&M. (SEE MAP 62380T)**
8. Existing place of use **SECTION 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38, & 39. T.31N, R.33E., M.D.B.&M., (SEE MAP 48996)**
9. Use will be from **JAN. 1 to DEC. 31** of each year.
10. Use was permitted from **JAN. 1 to DEC. 31** of each year.
11. Description of proposed works **WATER IS PUMPED FROM A SUMP AND USED FOR MINING & DE-WATER (PIT SAFETY/SLOPE STABILITY)**
12. Estimated cost of works **20,000**
13. Estimated time required to construct works **SUMP IS COMPLETE: HOWEVER, NEW PIPING & PUMPS REQUIRED, 6 MONTHS - 1 YEAR.**
14. Estimated time required to complete the application of water to beneficial use **1 - YEAR**
15. Remarks: **SAME SITE AS 63318T, NEED ADDITIONAL RATE FOR PIT DE-WATERING & PIT SAFETY.**

By **s/Frank A. Carr**
P.O. Box 330
Imlay, NV 89418

Compared dl/cms dl/cms

Protested

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This temporary permit to change the point of diversion, manner of use and place of use of a portion of the waters of an underground source as heretofore granted under Permit 57097 is issued subject to the terms and conditions imposed in said Permit 57097 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 48997, Certificate 13237; 48998, Certificate 13238; 48999, Certificate 13239; 49931, Certificate 13240; 53342, Certificate 13245; 57096, 57097, 57098, 61203, 61643, 61644, 61707, 63315-T, 63316-T, 63317-T, 63318-T, 64230-T and 64231-T will not exceed 787.0 million allons annually.

This temporary permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records will be kept of the following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling purposes projectwide and the amount of water used for reclamation purposes. These records will be submitted within 15 days after the end of each month. Please also submit the water level (static or pumping) of each permitted well with the pumping report.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on September 7, 1999 at which time all rights herein granted shall revert to the right being changed by this temporary permit.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.51 cubic feet per second, but not to exceed 25.0 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

Proof of completion of work shall be filed before:

Application of water to beneficial use shall be filed on or before:

Proof of the application of water to beneficial use shall be filed on or before:

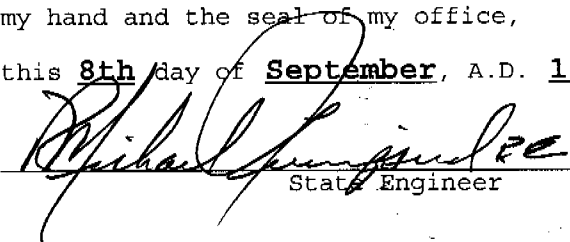
Map in support of proof of beneficial use shall be filed on or before:

TEMPORARY

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 8th day of September, A.D. 1998



State Engineer

RECEIVED
JUN 15 1999

